

EFFICIENCY IN PUBLIC OFFICE AND HOW IT MAY BE OBTAINED, SAVING MONEY TO TAXPAYERS

H. Gooding Field Points Out Progress Along Modern Business Lines

By H. GOODING FIELD.

Within the last decade, the enormous growth of population, the remarkable increase in facilities for travel and transport, the unprecedented expansion of commerce and consequent extensive distribution of capital have revolutionized business methods in the United States.

Since recent years, the commercial policy of our businessmen was to hold fast to the old, to admit the minimum of the new, and to expand, if it were possible, some old method already found fruitful into new growth for the new need. With the increasing legislative tendency to lower the tariff wall, thereby restricting protection to our manufacturers, and the consequent opening up of new fields of endeavor to the foreign producer, our merchants have been confronted with the peremptory necessity of making radical changes in their administrative policy to meet the new order of things. Instead of the long-conserved "rule of thumb" method of determining profits from the standpoint of an annual inventory, they now recognize that scientific management has become indispensable, and that the prime factors of Costs and Efficiency must be established as the very foundation on which to build their business structure.

The National Association of Manufacturers, recognizing the relation that that scientific methods of production bears to Cost of production, through the medium of their official publication, "American Industries," urging upon merchants a more general application of the doctrine of Costs and Efficiency, says:—

"There are in this country, as the forerunners of a great and material change in manufacturing methods, several factory plants conducted upon scientific principles. These principles have as their vital foundation the elimination of waste—not only of time, but also of material and inefficiency. The principles followed by those plants can be applied with modification to every class of factory, and to some degree in all kinds of industrial activity. It has been demonstrated absolutely that application of these principles result in doubling efficiency, and a saving in cost of production of from 15 to 25 per cent."

The most vital problem which confronts the executive today is just this knowledge of exact costs in the conduct of his business. That this subject is receiving the earnest attention of all our thinking men of affairs admits of no doubt, and its importance is being urged by all commercial bodies in our large manufacturing centers, with the hope of advancing the interests of present-day industrialism. No more striking illustration, in this connection, can be found than that of the freight-rate controversy which was recently waged between the Interstate Commerce Commission. In this

controversy the broad argument of the railroads was that a general increase in rates was imperative to offset the shrinkage in net freight income, and this was combated by the contention of the manufacturers and shippers that the unscientific management of their business by the railroads was alone responsible for a loss of more than one million dollars per day.

Theory Supported.
In support of the above theory Mr. Louis D. Brandeis of Boston, Massachusetts, representing the eastern manufacturers and shippers, before the Interstate Commerce Commission, in his brief, stated:—

"We shall show that the principles of scientific management are general in their application; that they can be introduced into practically all businesses and all departments of any business; that they have been successfully applied in private competitive business, like machine shops and factories; steel works and paper mills; cotton mills and shoe shops; in bleacheries and dye works; in printing and bookbinding; in lithographing establishments; in the manufacture of typewriters and optical instruments; in construction and engineering work, and in activities not commonly classed as business; and that recently, to some extent, they have been introduced by the United States Government into the manufacturing departments of the army."

"What we need in this country," continues Mr. Brandeis, "is a combination to reduce the cost of production, in place of combinations to increase prices. The result of application of efficiency methods in many departments of industry have shown that in the United States we have been shockingly prodigal of our resources of labor and material, and we are now facing a situation where the indefinite continuation of the theory of increasing prices, every time there comes a demand for more revenue, must be checked."

To such a far-reaching extent, therefore, has this desire for authentic and accurate information on the all-important subject of cost-finding gone, that provision was made in the Longworth bill, to authorize the appointment of Cost experts to ascertain the difference, by elements, between the cost of production at home and abroad, of all manufactured articles enumerated in the Aldrich-Payne tariff law, on which to base equitable rates of duty.

In every line of industry there is shown this same anxiety to marshal forces and to reckon with facts rather than conjectures. Not only is the necessity for advanced administrative methods apparent to combat foreign competition, but the spirit of industrialism has become so rampant, and the opportunities, hitherto unknown, for the profitable investment of capital within our own limits, been made so manifest, that the most scientific method of organization and administration is now recognized as the only feasible solution of the situation. The lessons taught our manufacturers in the struggle for commercial supremacy

have been prolific of the most beneficial results. Whereas a spirit of reckless extravagance once prevailed, caution is now the watchword. The natural tendencies of business enterprise are now frankly acknowledged, and the new era of progress is accepted as an accomplished fact.

It was only within a few years, however, that a systematic conservation of resources was attempted: profit made by savings was an unknown quantity. Prior to 1905, much of the manufacturing profit had literally been made, but the possibility of saving profit out of operation was little dreamed of. The changed conditions have forced our businessmen to realize that an increase in advertising and selling expense does not, for all time, increase business in direct proportion to the increase in expense. To meet this contingency, the science of costs has been evolved, the cardinal principles of which may be briefly summarized, as follows: Cost, more than selling price, fixes profits. The public not only fixes the price it will pay but determines the minimum of product they will accept for that price. Hence, as a natural sequence, scientific management is being developed along conservative lines to find the cost of production.

What "Scientific" Is.
By scientific management we mean not only the attempt to intelligently regulate the three basic elements of costs—material, labor and indirect expense,—with their corresponding divisions of direct and indirect material cost, direct and indirect labor cost, and the component parts of that business bugaboo, known as "burden," but having also as its aim the introduction of physical economies which go to make for plant betterment. Its prime functions are twofold, that of reducing costs and increasing production. The science of costs, therefore, not only enables the executive to establish a basis on which to judge the product and its cost, but also prescribes a standard regulation for efficiency of both men and equipment.

The eastern manufacturers have long since recognized the importance of such scientific business control, and are adopting every means to perfect their organization to meet growing competition. To such a point of efficiency have they attained in this respect that they now control the leading lines of manufacture on the Pacific coast. It is true that the labor cost in our Western states exceeds that paid in the eastern markets, yet to the cost of production of the eastern article must be added transportation and other charges which about offset the additional labor expense which the Western manufacturer is called upon to meet. The reason for this supremacy of the Eastern manufacturer over our Western producer is not difficult to find. The standardization of product has been a valuable asset to the wide-awake producer of the Atlantic and Middle Western States, and in many cases the element of labor has been placed upon a man-efficiency basis, often referred to as "Premium Wage Plan," thereby solving

ing many a perplexing economic problem.

There can be no question that up-to-date business methods among our businessmen become more apparent with the increasing growth of local population. The building up of territory creates a corresponding demand for manufactured products, and where new fields of enterprise are so developed there competition will be found the keenest. Business rivalry will be felt not alone from the inside, but outside influences will be brought to bear on the situation.

While it is conceded that scientific production and accurate knowledge of costs is not a panacea for all business ills, it can be asserted that a going concern, operating under a defined and intelligent policy of administration, is unquestionably placed in a position of great advantage over less resourceful institutions.

The late E. H. Harriman, that master mind of colossal projects, laid down the following inflexible rule of business conduct: "Have organization—system in the management of—standardization of materials. Leave nothing to chance."

The next article will be entitled "The Principles of Organization and Theory of Costs," wherein I shall endeavor to show the fundamental principles which underlie organization and cost-finding.

H. GOODING FIELD,
LL.B., F. A. A. (Eng.)

THE BULL MOOSER BEFORE AND AFTER

The following is clipped from the San Francisco Chronicle of recent date:

Editor Chronicle—Sir: Reading your editorial of Thursday, dwelling upon the extreme vanity, conceit and ambition of Theodore Roosevelt, it struck me—a former great admirer and supporter of his—how could your paper overlook his rank inconsistencies—inconsistencies, I should say, for there are many more; but this one stands out so glaringly that even an ordinary layman, a former worshiper like myself, could not help falling over it.

In Roosevelt's speech at the Chicago convention that nominated him, among many things he said that his reason, his main reason, for starting the new party was because both the old parties, Democratic and Republican, were corrupt. "Now, wouldn't that jar you?"

Just a couple of months ago he was stirring heaven and earth to procure the nomination from the Republican convention. Now, I have voted for Republican presidents since General Grant's first term, and I know that the Republican party is some years older than that—and that Teddy, though not as old as I, is far more familiar with the history of the Republican party than I—so does it not seem strange that such a wise man should not have discovered the wickedness of the old parties until they turned him down; or does he mean to imply that the Republican party only became wicked in the last two months?

Any careful reader can find inconsistencies as glaring as this by reading Teddy's "Before" and "After."

A 40-YEAR SUBSCRIBER.
San Francisco, Aug. 9, 1912.

OPENING LECTURE BY SMITH DECIDED SUCCESS

A cablegram from Mr. Edward H. Kemp, President of the San Francisco Camera Club, to the Promotion Committee received this morning states that Mr. Walter G. Smith's initial lecture last night at the Eagles Hall, San Francisco under the auspices of the Camera Club was a decided success.

It is believed that the microbe or cancer has been discovered by Dr. Gaston Odin of Paris.

WOMAN DIZZY PARTLY NUMB

Doctors Did Her No Good—
Testifies How She Was
Helped by Lydia E. Pinkham's Compound.

Zanesville, Ohio.—"Last fall I had female weakness very bad, and was nervous and run down. I was dizzy and had numb feelings and my eyes ached. I took doctor's medicines but they did me no good, so I decided to try Lydia E. Pinkham's Vegetable Compound. I did so, and now I feel stronger and better. I have told other women what Mrs. Pinkham's medicines have done for me and give you permission to publish this letter for the good of others."—Mrs. HULDA ERICKSON, 506 Maysville Avenue, Zanesville, Ohio.

More Proof.
Burlington, Iowa.—"For years I suffered a great deal from female troubles. I had awful pains and felt sick nearly all the time. I saw Lydia E. Pinkham's Vegetable Compound advertised and heard that it had helped other suffering women so I felt sure it would do me good. Sure enough it did. The first bottle helped me and now I am a strong and well woman. I would not be without it in the house."—Mrs. ANNA HIGGINS, 1125 Agency St., Burlington, Iowa.

There need be no doubt about the ability of this grand old remedy, made from the roots and herbs of our fields, to remedy woman's diseases. We possess volumes of proof of this fact, enough to convince the most skeptical. Why don't you try it?

SPORT

SENIOR LEAGUE GAMES TOMORROW

The Senior League games which should have been played August 11, according to the original schedule, will be decided at Athletic Park tomorrow afternoon, in the usual double-header.

The Asahis are to go against the J. A. Cs., while the Stars and P. A. Cs. will try conclusions in the closer. This will be the first appearance on the diamond of the Asahis for nearly a month, their last game having been played against the Stars July 29. Japanese fandom will be out in force to see their champions perform again.

HAWAIIAN FISH

(Continued from Page 9)

felt a sharp pain in one of his feet and, looking down, saw that the pickerel had made a jump and fastened its teeth in his toe. He tried to kick the fish away, but the pickerel held on and Henry had to use the handle of his landing net to pry open the fish's jaws before he got free of it. The toe started to swell where the teeth had punctured it, and Henry became worried. He says he thinks it possible he has hydrophobia, and, as a precautionary measure, he sent his head to the Pasteur Institute.

Close observers will scarcely have failed to notice a suppressed excitement in all the fishing yarns published this season. As near as we can recollect it first manifested itself about two months ago in a despatch from some California town. A fisherman was surprised, if we recall the details of the story correctly, by encountering a school of fish which struck their heads out of the water and barked at him. At first he thought they were ordinary dogfish, and so paid no attention to them. But he captured one and examined it carefully as to teeth, claws and dorsal markings, and saw it was not a dogfish. Hastily throwing the fish back into the water he ran all the way to town, where he told his tale. It was not believed.

We do not remember that the suggestion was made at the time these barking California fish were afflicted with hydrophobia, but it seems only too probable. The disease has been gradually making its way eastward ever since until now it has arrived at the Atlantic seaboard, as is evidenced by the terrible thing which has happened to Fred Henry. The knowledge that some frightful and mysterious malady has attacked the fish of the country is the explanation of the throbbing excitement to be noticed in the fish yarns this year.

FOREST RESERVE HEARING MONDAY

Under the provisions of the Revised Laws of Hawaii, public hearing will be held by the Governor of the Territory and the Board of Commissioners of Agriculture and Forestry next Monday, at 10 o'clock, a. m., in the office of the Board of Commissioners of Agriculture and Forestry, Government Nursery, King street, to consider the defining of the limits and the setting apart as forest reserves of certain government and other lands. In the Districts of Kula and Honouliuli, Island and County of Maui, area 6075 acres; in the District of Molokai, County of Maui, area 44,674 acres; in the District of Waianae, City and County of Honolulu, Island of Oahu, area 396 acres, being an additions to Wianae-kai Forest Reserve.

All persons who so desire will be given full opportunity to be heard upon the matter of this notice and to present evidence and arguments in person, by proxy, or by letter, either for or against the setting apart of the lands as a forest reserve.

ENGLISH JOCKEY CLUB CHANGES RACING RULES

NEW YORK—The English Jockey Club, at its annual meeting, recently held, made some important alterations in the rules governing horse racing, some of the changes having been demanded for years past by members. The most important change was the repeal of the rule permitting four-furlong races for the two-year-olds, this rule having been in force for nearly ten years, and arousing much criticism from various sources, owing to the supposed harm it has wrought in that class. By a vote of 22 to 7 the club upheld the adverse criticism, and, on the ground that such a short race for colts demanded gate training at the expense of future development, and was a lottery, the colts first off usually having all the chances devoted to prohibiting all races under five furlongs for two-year-olds.

BORN.

NORDMEYER—Kakaha, Kauai, August 23, 1912, to Mr. and Mrs. W. L. Ham Nordmeyer, a son.

KINSELA—In Honolulu, at Maternity Home, August 29, 1912, to Mr. and Mrs. Herbert L. Kinsele, a daughter.

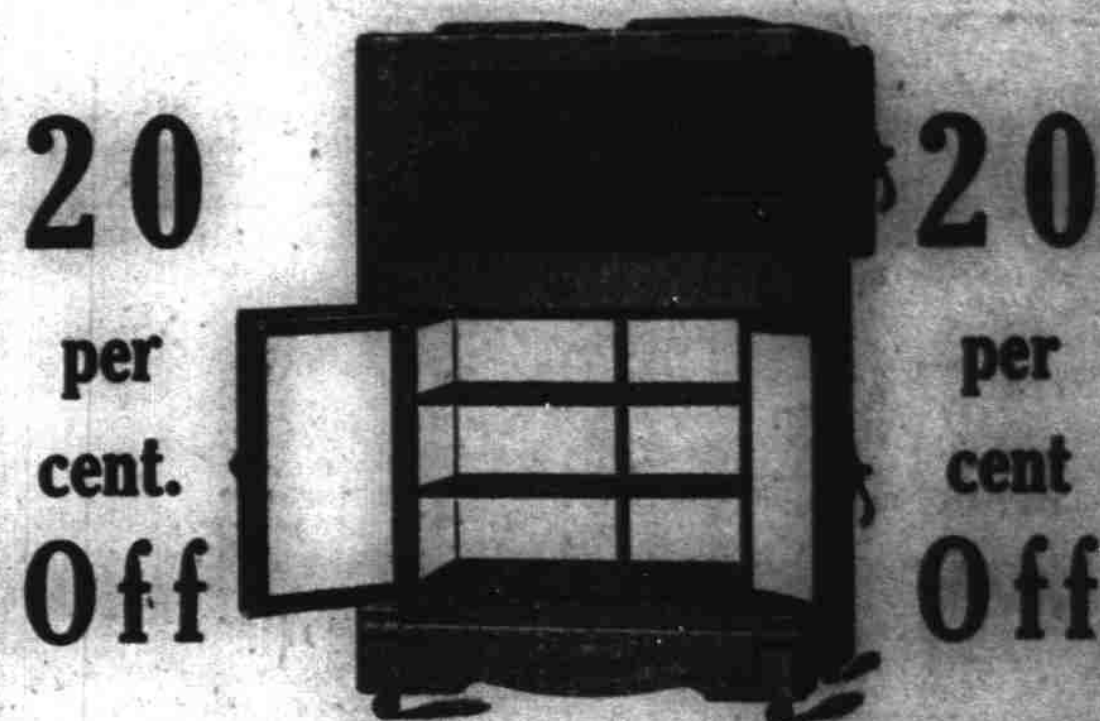
Francisco Albisch, a Spanish tenor, drowned unconscious to the stage in Newton Ia., just as he was beginning to sing the "Miserere." He died soon afterward.

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